

To,
The Board of Directors,
Financial Technologies (India) Limited
Corporate office:
FT Tower, CTS no. 256 & 257,
Suren Road, Chakala,
Andheri (East),
Mumbai 400 093

Dear Sirs,

Sub: Auditors' Report on Consolidated Financial Results of Financial Technologies (India) Limited for the year ended March 31, 2015

Introduction

1. We have audited the accompanying Statement of Consolidated financial results ('the Statement') of Financial Technologies (India) Limited ('the Company') and its subsidiaries, associates and joint venture ('the FTIL Group') for the year ended March 31, 2015, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. This Statement has been prepared on the basis of the Consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on this Statement based on our audit of such Consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with Rule 6 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

Scope of Audit

2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

Basis for Qualified Opinion

3. *As stated by the Management of the Company in Note 16 to the Statement, Writ Petitions (WP), Public Interest Litigation (PIL), Civil Suits have been filed against the Company in relation to NSEL event, wherein the Company has been made a party in the WP and Civil Suits. These matters are pending at various stages of adjudication. As stated in the said note, based on legal advice, the management of the Company does not foresee that the parties who have filed the WP, PIL, Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 16 & 17 to the statement, there are First Information Reports registered against various parties including the Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC, Police Station, Mumbai District.*



In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the Statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the Statement.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the quarter and year ended March 31, 2015.

4. We reproduce hereunder the 'Basis for Qualified Opinion' issued by the independent auditor(s) of a subsidiary viz. National Spot Exchange Limited ('NSEL') vide their audit report on the consolidated financial statements of NSEL, which also forms the basis for qualified opinion in our audit report on the accompanying Statement of the FTIL Group:

- a) *"As stated in note no. 53 of the Consolidated Financial Statements pertaining to the issue of warehousing receipts and as per the explanations given by the Management, investigating agencies are investigating genuineness of the warehouse receipt issued by the Company. Its impact on financial statements, if any, can be ascertained only after investigations are concluded and order obtained from the court. Enforcement Directorate (ED) has applied provision of Prevention of Money Laundering Act, 2002 (PMLA) on defaulting members and the Company. Investigations are in progress as on the date of the Audit Report. In case of any adverse findings against the Company, the same may have an effect on the financial position of one or more financial years."*
- b) *"As stated in note no. 56 read with note no. 1 to the Consolidated Financial Statements which refers to the matter pertaining to regulatory framework for Spot Exchange and related compliance issues with respect to the Exemption Notification No. S.O. 906(E) dated June 5, 2007 (issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India, under section 27 of the Forward Contracts (Regulation) Act, 1952). The doubts have been raised as to alleged non-compliance of two of the conditions specified in the said Exemption Notification. While the Company has responded to Show Cause Notice (SCN) dated April 27, 2012 vide letter dated May 23, 2012 and further correspondences made in August, 2012 and July, 2013, the adjudication thereof is pending from respective authorities and hence the possible consequences arising out of same on the Company are not presently ascertainable. It is further stated that the Ministry of Finance, the Government of India, has withdrawn the aforesaid exemption notification w.e.f. September 19, 2014."*
- c) *"As stated in note no. 60 & 61 to the Consolidated Financial Statements, the Company has been served with notices/letters/summons from various statutory authorities/regulators/government departments and some purported aggrieved parties. There are some Writ Petitions, Public Interest Litigations, Civil Suits including in representative capacity filed by and against the Company. Such matters against the Company are either in progress or sub judice before different forums. The Company may have civil/criminal liability arising out of one or more of the proceedings initiated against the Company."*
- d) *"As stated in note no. 58 & 59 to the Consolidated Financial Statements the issue of legality of contracts traded on the Spot Exchange, the management has clarified that all the contracts carried out on the Exchange were proper and in consonance with the local applicable laws and that there was no violation thereto. As far as availability of commodities are concerned, it is stated that there were systems and processes in place for deposit of commodities and generation of warehouse receipts and allocation of the same. NSEL believed existence of commodities in warehouse on account of the Depositing member's declarations, invoices submitted by the depositing members, the officials concerned in the NSEL at the relevant time being satisfied that there were commodities deposited, generation of warehouse receipt by the*



concerned officials. Further, due to various events, arising during FY 2013-14, the Company had appointed an Internal Inquiry Committee (IIC) and also two forensic auditors after July 31, 2013 for verification of certain aspects of accounting, internal controls, propriety of accounting policies etc. Pursuant to findings from investigations related to the Company by aforesaid committee/forensic auditors, material weaknesses were reported in certain areas of internal control system pertaining to Spot Exchange related services. There were instances where the commodities were found missing and there were instances of commodities being available partly or fully. This is part of the investigations by EOW, other investigation agencies."

- e) "As stated in note no. 63 to the Consolidated Financial Statements in respect of effectiveness of internal controls, instances of circumventing of internal controls in some areas of operations on the Spot Exchange and in one of the group company viz. Indian Bullion Market Association Limited ('IBMA'), weakness in effectiveness of internal controls systems and control over financial reporting have been observed. Such instances were unearthed by various investigations carried out by IIC in the month of August 2013 and by a forensic auditor M/s. Grant Thornton India LLP in the month of September 2013 and by another forensic auditor M/s. Chokshi and Chokshi, Chartered Accountants in the month of February 2014.

There were irregularities which have been observed arising out of misuse of powers by ex-MD & CEO along with some senior officials of the Company. As per explanations given by the current management of the Company, some of the controls which were circumvented by the erstwhile management were lack of compliance with Rules, Bye laws and Business Rules of the Exchange by the defaulting members, laxity in terms of exemption from margin requirement to members, oversight over commodities which were stored in the warehouses belonging to certain members etc., the ex-MD & CEO at the relevant time had failed to disclose non-compliance issues to the Board of Directors of the Company. As the final outcomes of such investigations are pending, we are unable to comment on the consequential impact, if any, in respect of the same in the Financial Statements.

As per group company viz. IBMA the holding Company NSEL had appointed Internal Inquiry Committee (IIC) which had examined certain transactions pertaining to SnP and had recommended further inquiry into the matter. As stated in Note no 63 of the Consolidated Financial Statements, in respect of effectiveness of internal controls systems and controls over the financial reporting, following weaknesses were observed in the findings carried out by forensic auditors Grant Thornton India LLP and Chokshi & Chokshi, Chartered Accountants in relation to transactions carried out with one related party SnP were not disclosed and segregation and earmarking of client margin was not done as was required under NSEL's bye laws, which was required of IBMA as an Institutional Trade and Clearing Member (ITCM) of NSEL. The weakness had been identified after the Balance Sheet date by subsequent investigations carried out by forensic auditors in this regards. Since the matter is for separate investigation and pending such investigation, we are unable to comment on the classification of such transaction in the books of accounts of IBMA.

The matters stated above could also have a consequential impact on the measurement and disclosure of information provided under, but not limited to statement of profit and loss, provision for tax, cash flow statement, segment information, and earnings per share for the year ended March 31, 2015 in these Financial Statements."

- f) "The trade receivables and other receivables are subject to confirmation and reconciliation. During the course of preparation of Financial Statements of respective Company, letter of confirmations have been sent to various parties by the respective company with a request to confirm the balances as on March 31, 2015. However, few confirmations have been received. The management, however, does not expect any material changes on account of such reconciliation/ non receipt of the confirmation from parties. However the balances between The Company and IBMA in respect of Exchange Operations are subject to reconciliation. In many cases legal notices have



been sent to parties; however we are unable to form any opinion on recoverability of the outstanding balances of such parties”.

- g) “As stated in note no. 41 of notes to accounts, in earlier financial years the IBMA had rendered services to one M/s SnP Designs Pvt. Ltd. (SnP) relating to trade in future commodity contracts. At the end of the year a sum of Rs.77,47,18,046/- was due and receivable on account of such services from SnP. The Managing Director and majority shareholder of SnP is Mrs. Shalini Sinha, the wife of Mr. Anjani Sinha (then Director and KMP of NSEL as well as IBMA). Such relationship was not informed by Mr. Anjani Sinha. No money has been received from SnP despite of substantial amounts due and outstanding. SnP denied having any liability to pay to the IBMA and the matter is under dispute. It has been informed by management that such transactions were carried out on the instruction issued by erstwhile director of Company Mr. Anjani Sinha who was managing the affairs of company.”
- h) “As stated in 5 (b) of basis of qualification in Auditors report of IBMA, IBMA has made provision for bad and doubtful debts for Rs 20,49,66,433/- in case of receivables for sale and services entered by the IBMA. As per opinion formed by IBMA’s Auditor, the Company should have provided 100% of all its bad and doubtful debts and other receivables. Accordingly, had this provided for entire amount as provision for bad and doubtful debts (including other receivables) the amount of provisions should have been higher by Rs 40,97,93,241/-.”
- i) “The Company may be exposed to liabilities in case of any adverse outcome of these investigations/enquiries or legal cases or any other investigations as referred to in 4(a) to 4(e) above enquires or suits which may arise at a later date. In the light of the above, the outcome of which is not presently known and is uncertain at this stage, we are not able to comment on the impact in respect of the same on these Consolidated Financial Statements. Also, the matters stated above could also have a consequential impact on the measurement and disclosure of information provided, but not limited to, profit/(loss) before tax, provision for tax, cash flow statement, segment information and earnings per share for the year ended March 31, 2015 in these Consolidated Financial Statements”.

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consolidation of the reports of the other auditors referred to in ‘Other Matters’ paragraph below, *except for the possible effects of the matters specified under ‘Basis for Qualified Opinion’ paragraph*, the accompanying Statement:
- i. is presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. gives a true and fair view of the net profit and other financial information for the year ended March 31, 2015.
6. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.



Emphasis of Matter

7. We draw attention to Note 19 to the Statement, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of Rs. 19,270.02 Lacs as at March 31, 2015 including recognition of Rs. 10,081.20 Lacs during the year ended March 31, 2015. Based on the projections made by the Company's management regarding income-tax liability of the Company, Management is of the view that the Company will be able to utilise the unexpired MAT credit entitlement in projected years.
8. We draw attention to Note 13 to the Statement, which describes the receipt of the draft order proposing amalgamation of National Spot Exchange Limited with the Company. The Company has filed a Writ Petition before the Honourable Bombay High Court challenging the said order.
9. We draw attention to Note 14 to the Statement. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, seeking inter alia removal and supersession of the Board of Directors of the Company, which has been protested by the Company and the matter is pending before CLB for consideration.

Our opinion is not qualified in respect these matters of emphasis.

10. We reproduce hereunder the 'Emphasis of Matter' paragraphs issued by the independent auditor(s) of a subsidiary viz. NSEL vide their audit report on the consolidated financial statements of NSEL, which also forms the 'Emphasis of Matter' paragraphs in our audit report on the accompanying Statement of the FTIL Group:
 - a) "We draw attention to note no. 1 of the Consolidated Financial Statements. The reconstituted Board of Directors of the Company is of the view that in the short term its main challenge is to recover the money from defaulting members. As explained by the management, the Company is making all out efforts in recovering the amounts from defaulter members for settlement as well as its trade and other receivables. The holding company has committed to provide financial and other resources to NSEL for administrative and day to day expenses including legal and salary cost. The Company has continuing support from its holding company and on the basis of such support, business plans of the future & other factors, the accounts for the year ended March 31, 2015 are prepared on going concern basis. We have relied on the above mentioned explanations and information given by the Management."
 - b) "The Ministry of Corporate Affairs (MCA), Government of India has issued on October 21, 2014, a draft order of Amalgamation of the Company with its holding company, Financial Technologies (India) Limited, u/s. 396 of the Companies Act, 1956. The holding company has contested the same before the Bombay High Court and is currently *sub-judice*. As per the draft order of MCA, it has sought suggestions and objections of each of the stakeholders and the final outcome is pending."
 - c) "As stated in note no. 62, 63 and 66 of the Consolidated Financial Statements, there are some Writ Petitions, Public Interest Litigations, Civil Suits including in representative capacity filed by and against the Company. In the light of some of the litigations made against the Company by seller members, trading and clearing members as also defaulter members, holding the Company responsible as third party/central party counter guarantor, for ensuring payments towards pending settlements on Spot Exchange, which have arisen during financial year. In this regard, the management and those charged with the governance, have represented to us that there are no claims/litigations/potential settlements involving the Company directly or indirectly, which may require adjustments in the Financial Statements. In this regards the management believes that as per legal advice received from an expert, no such third party/central party counter guarantee was ever provided by the Company, and hence there shall not be any liability arising there from against the Company."



On October 21, 2014, the Ministry of Corporate Affairs, Government of India, issued a draft order suggesting that NSEL be amalgamated with FTIL as it is essential in public interest under Section 396 of Companies Act, 1956.

The government's draft order has been challenged by FTIL and certain shareholders of FTIL by way of Writ Petition in the Bombay High Court. Hon'ble Bombay High Court in its order passed on February 4, 2015 has inter alia ordered that the Central Government may consider passing final order after hearing contentions of NSEL and all other interested parties. NSEL is required to file their objections to the said draft order within 30 days and within 4 weeks thereafter Central Government to pass order after giving hearing to all interested parties. The High Court has further clarified that if any adverse order is passed by the Central Government, the same shall not be notified for a period of two weeks after the order is communicated."

- d) "We have solely relied on representation received from the Management in relation to the status of the Trade Receivable and Trade Payables, as few confirmations were available from the parties under Trade Receivable and Trade Payables."
- e) "IBMA has recorded a loss of Rs. 26,69,98,212 for the year and has resulted in complete erosion of the net worth of the Company as at March 31, 2015. There has been discontinuation of most of the activities carried out by the Company after July 31, 2013. There have been ongoing litigations and civil proceedings initiated against the Company. While the Company had defaulted in payments of dues to various tax authorities /affiliated members' constituents etc, as at March 31, 2015 due to lower cash inflows from existing receivable and virtual stoppage of major sources of income after July 31, 2013, there are fears of default in meeting such obligations in future. The management of the Company has agreed to provide all the required financial help to IBMA subject to compliance of Court/Regulatory requirements. Necessary adjustments may have to be made to the value of assets and liabilities in case the going concern concept is vitiated. The accompanying Financial Statements have been prepared based on cumulative impact of following mitigating factors to consider the Company as a going concern basis despite of accumulated losses.
 - i. IBMA has appointed a whole time director in April 2015 to look into the day to day affairs of the company and the company has plans to take steps for revival or restoration of few of the business operations and to recover the outstanding receivables, in near future.
 - ii. Repayment of loan(s) received in subsequent financial year and interest accrued and due to holding Company is sought to be restructured with the support of the holding Company.
 - iii. Payment of liability on account of trading activity due to holding Company is sought to be restructured with the support of holding Company.
 - iv. The IBMA expect to receive continuing support from the Company, as was received in past.
 - v. The IBMA has prayed before high court to permit Company to infuse capital or loan to IBMA for payments of statutory dues, amount of preservation, maintenance and protection of their assets and wage and salaries which have been restrained in view of the earlier Court Orders."
- f) "Due to various events occurred during the earlier year, the operations of the Company have been adversely affected. Forward Market Commission (FMC) has given directions on August 14, 2013 to the Company not to transfer any amount to the IBMA including the amounts due and recoverable for earlier commercial transactions already carried out with NSEL. The Bombay High Court, while examining the issue of diversion of funds from certain types of contracts to payments for e-series contracts, had given directions to the Company vide its order dated October 7, 2013 had given directions to not to dispose of, alienate, encumber, part with possession of



or create any third party right, title and/ or interest in, upon or in respect of any of the assets, except for the payment of statutory dues, amounts for the preservation, maintenance and protection of their assets and wages and salaries without the written permission of the FMC and in the case of immovable properties, without the orders of the Bombay High Court. Hence Company could not make any payment to the IBMA. The IBMA has approached Hon'ble Bombay High Court praying inter-alia to permit company to infuse capital or loan to IBMA for payment of statutory dues, amounts for preservation, maintenance and protection of assets and wages and salaries."

11. We reproduce hereunder the 'Emphasis of Matter' paragraph issued by the independent auditor(s) of a subsidiary viz. FT Group Investments Pvt. Ltd. ('FTGIPL') vide their audit report on the consolidated financial statements of FTGIPL, which also forms the 'Emphasis of Matter' paragraphs in our audit report on the accompanying Statement of the FTIL Group:

"We draw attention to Note 20 to the consolidated financial statements which describe the basis of preparing these consolidated financial statements and the fair value of investments."

12. We reproduce hereunder the 'Emphasis of Matter' paragraph issued by the independent auditor(s) of an associate viz. SME Exchange of India Limited ('SME') (treated as an associate till January 21, 2015) vide their audit report on the financial statements of SME, which also forms the 'Emphasis of Matter' paragraphs in our audit report on the accompanying Statement of the FTIL Group:

"We draw attention to the following matters in the notes to the financial statements:

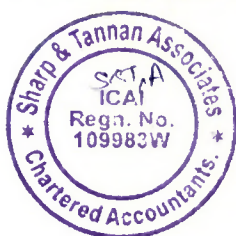
Note No. 1 of the Financial Statement which, describes that Board of directors in their meeting held on January 19, 2015 recommended that the company be wound up and decided January 21, 2015 as its cut-off date. Since the Company is under process for Voluntary winding up, the assumptions of going concern is not considered while drawing up Financial statements of the Company. The financial statements of the Company have been prepared for the Period April 1, 2014 to January 21, 2015."

Our opinion is not qualified in respect of matters stated above.

Other matters

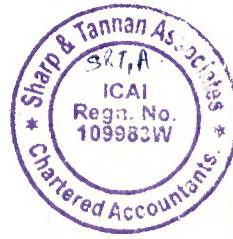
We did not audit the financial statements of thirteen subsidiaries and consolidated financial statements of two subsidiaries included in the consolidated financial statements of the FTIL Group, whose financial statements/consolidated financial statement reflect total assets of Rs.143,190.96 Lakhs as at March 31, 2015; as well as the total revenue of Rs.43,602.28 Lakhs and net cash outflow amounting to Rs.(21,315.81) Lakhs for the year then ended. We further report that in respect of two associates, we did not carry out the audit. The consolidated financial statements of the FTIL Group include the net carrying cost of investment of Rs.Nil Lakhs and current year share of net profit/(loss) of Rs.Nil Lakhs in respect of these associates. These financial statements/consolidated financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the accompanying Statement, to the extent they have been derived from such financial statements/consolidated financial statements is based solely on the report of such auditors.

We further report that in respect one joint venture included in the consolidated financial statements of the FTIL Group, whose consolidated financial statement reflect total assets of Rs.22,777.95 Lakhs as at March 31, 2015; as well as the total revenue of Rs.1,765.55 Lakhs and net cash outflow amounting to Rs.(244.02) Lakhs for the year then ended, has been certified by management and has been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of this joint venture, is based solely on this certified consolidated financial statement. Since the consolidated financial statements for the financial year ended March 31, 2015, which were compiled by management of this company, were not audited, any adjustments to their balances could have consequential effects on the attached Statement. However, the size of this joint venture, in the consolidated position is not significant in relative terms.



Our opinion is not qualified in respect of other matters.

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

A handwritten signature in blue ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot
Partner

Membership No. (F) 037457

A small circular purple stamp with the text "DSC" in the center. A handwritten signature is written over the stamp.

Mumbai, May 22, 2015

To,
The Board of Directors,
Financial Technologies (India) Limited
Corporate office:
FT Tower, CTS no. 256 & 257,
Suren Road, Chakala,
Andheri (East),
Mumbai 400 093

Dear Sirs,

Sub: Auditors' Report on Standalone Financial Results of Financial Technologies (India) Limited for the quarter and year ended March 31, 2015

Introduction

1. We have audited the accompanying Statement of Standalone Financial Results ('the Statement') of Financial Technologies (India) Limited ('the Company') for the quarter and year ended March 31, 2015, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. This Statement has been prepared on the basis of the standalone interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on this Statement based on our audit of such standalone interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

Scope of Audit

2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

Basis for Qualified Opinion

3. As stated by the Management of the Company in Note 16 to the Statement, Writ Petitions (WP), Public Interest Litigation (PIL), Civil Suits have been filed against the Company in relation to NSEL event, wherein the Company has been made a party in the WP and Civil Suits. These matters are pending at various stages of adjudication. As stated in the said note, based on legal advice, the management of the Company does not foresee that the parties who have filed the WP, PIL, Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 16 & 17 to the statement, there are First Information Reports registered against various parties including the Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC, Police Station, Mumbai District.



In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the Statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the Statement.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the quarter and year ended March 31, 2015.

Qualified Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter specified under 'Basis for Qualified Opinion' paragraph*, the accompanying Statement:
 - i. is presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. gives a true and fair view of the net (loss)/profit and other financial information for the quarter and year ended March 31, 2015.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

Emphasis of Matter

5. We draw attention to Note 19 to the Statement, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of Rs. 19,270.02 Lacs as at March 31, 2015 including recognition of Rs. 10,081.20 Lacs during the year ended March 31, 2015. Based on the projections made by the Company's management regarding income-tax liability of the Company, Management is of the view that the Company will be able to utilise the unexpired MAT credit entitlement in projected years.
6. We draw attention to Note 13 to the Statement, which describes the receipt of the draft order proposing amalgamation of National Spot Exchange Limited with the Company. The Company has filed a Writ Petition before the Honourable Bombay High Court challenging the said order.
7. We draw attention to Note 14 to the Statement. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, seeking inter alia removal and supersession of the Board of Directors of the Company, which has been protested by the Company and the matter is pending before CLB for consideration.

Our opinion is not qualified in respect these matters of emphasis.

Other Matters

8. The standalone financial statements of the Company for the year ended March 31, 2014, were audited by another auditor whose report dated May 30, 2014 expressed modified opinion on those statements.



9. Figures for the quarter ended March 31, 2015 are the balancing figures between audited figures of the full financial year and year to date published figures upto the quarter and nine month ended December 31, 2014.



For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration no. 109983W
by the hand of

A handwritten signature in blue ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot
Partner

Membership No. (F) 037457

Mumbai, May 22, 2015

A small circular stamp with the number "0256" inside.